



OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 2-26-13 CONTROL NO: ITEM NO: 2

SUBJECT: RESOLUTION NO. OB 13-18

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2013 THROUGH DECEMBER 31, 2013, AND TAKING CERTAIN RELATED ACTIONS

FROM: SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY

PRESENTATION BY: Justine Menzel, Deputy Executive Director

RECOMMENDATION

Approval of ROPS for July 1, 2013 through December 31, 2013.

BACKGROUND

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

Deadlines for ROPS Submission and Review

The Redevelopment Dissolution Law does not specify a deadline for the Successor Agency to submit the ROPS for July 1, 2013 through December 1, 2013 ("ROPS 13-14A") to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS 13-14A to the DOF, the Office of the State Controller and the County Auditor-Controller no later than **March 1, 2013**. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the

amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 13-14A may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board by April 2, 2013.

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS by March 1, 2013, the City of Artesia will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of March 1st, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations", the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations."

FISCAL IMPACT

The preparation and submittal of ROPS 13-14A is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2013 to December 31, 2013.

BOARD ACTION

Staff recommends that the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency adopt Resolution No. OB 13-18, approving the Recognized Obligation Payment Schedule for the six-month fiscal period from July 1, 2013 through December 31, 2013 and taking certain related actions.

ATTACHMENT

Resolution No. OB 13-18

RESOLUTION NO. OB 13-18

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2013 THROUGH DECEMBER 31, 2013, AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(l), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. Pursuant to Health and Safety Code Section 34177(l)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from July 1, 2013 through December 31, 2013 ("ROPS 13-14A"), to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than March 1, 2013; and (2) post a copy of the Oversight Board-approved ROPS 13-14A on the Successor Agency's website.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves proposed ROPS 13-14A, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 13-14A to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS 13-14A on the Successor Agency's Internet website (being a page on the Internet website of the City of Artesia).

Section 3. The officers of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 26th day of February, 2013.

AYES:

NOES:

ABSENT:

ABSTAIN:

William A. Holt, CHAIR

ATTEST:

Gloria Considine, SECRETARY
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
ARTESIA REDEVELOPMENT AGENCY

EXHIBIT A

**SUCCESSOR AGENCY TO THE _____ REDEVELOPMENT
AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2013 through December 31, 2013)**

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: ARTESIA (LOS ANGELES)

Outstanding Debt or Obligation	Total Outstanding Debt or Obligation	Total	\$51,457,897
Current Period Outstanding Debt or Obligation			
Six-Month Total			
A Available Revenues Other Than Anticipated RPTTF Funding			\$3,403,676
B Enforceable Obligations Funded with RPTTF			\$507,086
C Administrative Allowance Funded with RPTTF			\$185,327
D Total RPTTF Funded (B + C = D)			\$692,413
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>			\$4,096,089
F Enter Total Six-Month Anticipated RPTTF Funding			\$569,249
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>			(\$123,164)
Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))			
H Enter Estimated Obligations Funded by RPTTF (<i>lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed</i>)			\$569,249
I Enter Actual Obligations Paid with RPTTF			\$465,828
J Enter Actual Administrative Expenses Paid with RPTTF			\$103,421
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)			\$0
L Adjustment to RPTTF (D - K = L)			\$692,413
Certification of Oversight Board Chairman:			
Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.			
Name _____		Title _____	
_____ <i>/s/</i>		Signature _____	Date _____

ANTESIA [LOS ANGELES]
RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS 13-144]
July 1, 2013 through December 31, 2013

Dues/Eight Board Approval Date:

ARTERIA [LOS ANGELES]
Particular to Health and Safety Code section 24285 (a)
TEN (10) YEAR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
#BLOCKGRAD OBLIGATION PAYMENT SCHEDULE (ROWS II)

ARTESIA (LOS ANGELES)

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (BOODS 13-1AA) -- Notes (Optional)

July 1, 2013 through December 31, 2013

Item #	Project Name / Debt Obligation	Notes/Comments
1	2007 Tax Allocation Bond	
2	2009 Tax Allocation Bond	
3	Tax allocation bonds	
4	Tax allocation bonds	
5	Advance and Reimbursement Agreement and/or Cooperative Agreement and/or City Loan	Item 6: As shown on the accompanying "Prior Period Estimated Obligations vs. Actual Payments", DOF approved \$146,312 for the Successor Agency's administrative cost allowance for ROPS II period. However, the Successor Agency only received sufficient RPTTF money to pay \$103,421 of administrative costs for ROPS II period. The difference of \$42,891 is still owing to the City of Artesia to reimburse the City's advance for the Successor Agency's administrative costs allowed during ROPS II period. The advance by the City was made pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses, effective 2/1/12.
6	Cooperative Agreement	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
7	Salaries	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
8	Salaries/benefits	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
9	Rent	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
10	Legal services	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
11	Contract services	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
12	Lobbyist	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
13	Business resource	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
14	Accounting services	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
15	Auditors	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
16	Tax allocation bond reserve trustee	All or a portion of items 7-16 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.
17	Pioneer Downtown Revitalization Project	The Pioneer Downtown Revitalization Project is identified in bond documents for 2007 Tax exempt bonds issued by the former Artesia Redevelopment Agency as a project to be funded with those bond proceeds. Some initial construction of the project has been completed with funding advanced by the City. The estimated amount of the total project-related cost is shown in item 17. Payment of item 17 is contingent on DOF's issuance of a Finding of Completion pursuant to HSC 34179.7 and the Oversight Board's approval of a Pioneer Downtown Revitalization Project Bond Proceeds Funding Agreement to be entered into between the City and the Successor Agency.
	Prior Period Payments schedule note:	Note to Items 1 through 9 of the "Prior Period Estimated Obligations vs. Actual Payments": See note above regarding Item 6 of ROPS 13-14A. Actual administrative expenses incurred was greater than the \$103,421 available from RPTTF disbursement. The difference was advanced by the City and is subject to reimbursement by the Successor Agency pursuant the above-mentioned Cooperative Agreement.